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## FARUKI IRELAND & COX P.L.L.

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December 15, 2008

Angela

VIA ELECTRONIC MAIL (angela@unforklift.com)

No. 1 Xindeng Industrial Park Fuyang City, Zhejiang Province P.R. China

Janet Lee

**VIA HAND DELIVERY** 

1747 Chadwicke Circle Naperville, Illinois 60540-0398

Re: Hangzhou Zheli Forklift Group Co., Ltd.

Dear Angela and Ms. Lee:

We represent Crown Equipment Corporation ("Crown") in connection with litigation relating to intellectual property and dealer matters. Crown has been made aware of direct solicitations from you on behalf of Hangzhou Zheli Forklift Group Co., Ltd. ("Zheli") that were recently received by a number of Crown dealers in the United States and Canada. These Crown dealers were solicited to sell Zheli's "unforklift" line of forklift trucks, and directed the recipient to the website www.unforklift.com operated by Zheli, as well as inviting them to visit Zheli's factory.

Your solicitations, website, and the unforklift line of trucks violate numerous intellectual property rights of Crown. For example:

- 1. The design of 3-wheel "battery forklift" shown on unforklift.com infringes U.S. Patent No. D441,936 owned by Crown.
- 2. The 4-wheel "battery forklift" shown on unforklift.com infringes U.S. Patent No. D466,669 owned by Crown.
- 3. Zheli has also applied to register a trademark on the Principal Register of the United States Patent and Trademark Office which prominently features the color beige; the specimen of use Zheli submitted with the application is an altered photograph of a Crown FC series lift truck. The truck shown in that altered photograph and the "battery forklift" trucks shown on the unforklift.com website and in Zheli product brochures infringe Crown trade dress in its SC and FC series counterbalance lift trucks.



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- 4. Those trucks also infringe and dilute Crown's trademarks including:
  - (a) Crown's trademark of the color beige on a counterbalance lift truck as shown in U.S. Reg. No. 3,356,104 and others;
  - (b) Crown's Momentum trademark as shown in U.S. Reg. No. 2,735,391;
- 5. Zheli's product brochure uses without permission the phrase "Innovation at Work," which has been trademarked by Crown.
- 6. The Zheli product brochures and the website unforklift.com also use copyrighted photographs owned by Crown (specifically, as to the website unforklift.com, the main product page includes a photograph showing a Crown SC series counterbalance lift truck, and a photograph of a Crown employee and a Crown truck from Crown's crown.com website is used to illustrate "warranty claim" on the "Customer Center" page). Crown also owns copyright in the altered photograph identified in paragraph 3 above. Zheli's literature prominently features Crown's colors, layout, font and text; these and other similarities demonstrate Zheli's misappropriation of Crown's trade dress featured in its product brochures and Crown's website crown.com.

Crown has made a substantial investment of financial and other resources over the past 50 years in order to build and develop goodwill in its intellectual property and its dealer network. Zheli's conduct threatens that goodwill in the United States and throughout the world and that threat is being taken very seriously by Crown.

The United States statutes under which Crown is entitled to relief include but are not limited to 35 U.S.C. §§ 281-289 (design patent infringement), 15 U.S.C. §§ 1114 (trademark infringement), 15 U.S.C. §§ 1125 (trade dress infringement and dilution), 17 U.S.C. §§ 501-504 (copyright infringement), and 19 U.S.C. §§ 1337 (all of the above, through an order of the United States International Trade Commission). Crown's state law and common law protections of intellectual property rights are also being violated.

We also understand that Zheli has contacted one or more of Crown's dealers outside of North America. Crown has significant intellectual property rights in many countries, including but not limited to Australia, New Zealand, Canada and the EEU, that are being violated by Zheli's conduct.

Crown demands that Zheli immediately cease and desist:

- 1. Any sale, offer for sale, advertising, or marketing (in any form, including but not limited to print, Internet, email, trade shows, demonstrations) of the trucks currently designated as unforklift FB "battery forklift" trucks;
- 2. Its pursuit of U.S. trademark application no. 77515033 (filed July 4, 2008) and any corresponding applications or registrations in any other country;

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- 3. Any use of the color beige or any color confusingly similar thereto on lift trucks;
- 4. Any use, in commerce or in advertising or marketing, of Crown's Momentum trademark or any mark confusingly similar in appearance;
- 5. Any use of the phrase "Innovation at Work" in advertising or marketing (in any form, including but not limited to print, Internet, email, trade shows, demonstrations);
- 6. Any use of photographs, or any other promotional, marketing or advertising materials, that are copyrighted by Crown.

Crown also demands that you immediately cease and desist any contact with or solicitation of any authorized dealers of Crown products in the United States or anywhere else in the world. Crown has made a substantial investment in a network of dealers that sell and service Crown lift trucks throughout North America. Each Crown dealer in North America has signed an Agreement with Crown, which prohibits the dealer from adding, without the prior written approval of Crown, any types or lines of lift trucks that compete, in Crown's sole judgment, with the types or lines sold by Crown. Zheli is on notice of that provision and is on notice that contact with or solicitation of a Crown dealer to offer the unforklift brand is improper, and such activity constitutes tortious interference with contract or interference with Crown's business expectancy under applicable laws.

In an excess of caution, Crown authorized us to file the enclosed lawsuit, a step that is necessary in order to protect its rights. With this letter, we are serving Janet Lee as the representative of Zheli in the United States. Crown has every interest, however, in avoiding litigation, and it asks you to confirm in writing by Friday, December 19, 2008, by 4:00 p.m., EST, that you are taking the steps necessary to cease and desist. If you do so, then Crown is prepared to dismiss its lawsuit. If not, Crown will pursue all of its legal and equitable remedies and rights against Zheli, including its rights for immediate injunctive relief.

If you, or your counsel, has any questions, please let me know immediately.

Very truly yourş

DJI/lrc

Enclosure

c: Wu Jin Xian, Director, Hangzhou Zheli Forklift Group Co., Ltd. (via *Federal Express*)
John G. Maxa, Vice President and General Counsel (via *Email*)
(All with enclosure)